

EXHIBIT B also shows the Lockhart B-1 Well No. 9, which is being proposed for recompletion to the Eumont Gas Pool, within the boundary of this NSPU. Eumont Gas Pool rules for a NSPU from 161-320 acres in size require a 660' setback from the side and a 990' setback from the end of such units. In the revised 280-acre NSPU, well No. 9 will become an unorthodox location since the removal of the 40 acres for well No. 6 reduces the distance from the south boundary of the NSPU from 1980' in the current unit to 660' in the proposed unit.

Recompletion of this well to the Eumont Gas Pool will recover additional gas reserves that will not justify the drilling of a new well at a standard location. The location of this proposed recompletion is still standard to the eastern boundary of the proration unit and encroaches only on the SE/4 SE/4 of Section 1, which is a part of the same Lockhart B-1 lease and is operated by Conoco Inc. Offset operators of the current and the proposed NSPU's, as shown on EXHIBITS A and B, have been furnished a copy of this application by certified mail. Copies of these mail receipts are attached as EXHIBIT C.

Conoco requests that the amended NSPU, this unorthodox gas well location for development of additional Eumont Gas Pool reserves, and the simultaneous dedication of Lockhart B-1 Nos. 4 and 9 be approved by administrative order. New C-102's are also enclosed for Wells No. 4, 6 and 9. If there are any further questions concerning this application, please contact me at (915) 686-6548. Thank you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jerry W. Hoover".

Jerry W. Hoover
Sr. Conservation Coordinator

cc: Hobbs District OCD Office